WEEKLY ECONOMIC REVIEW

May 5, 2006

The Canadian dollar reached a 28-year high of over 90 cents US this week, as markets responded favourably to the May 2 Federal Budget and the U.S. dollar continued to decline against most major currencies (including the Euro and the Japanese Yen) The Canadian dollar has gained almost 5 cents against the US dollar since the beginning of April.

The Canadian economy added 22,000 jobs in April, exceeding the consensus forecast increase of 15,000. US employment growth of 138,000 was below forecasts, but markets were encouraged by a healthy 0.5 per cent increase in U.S. hourly earnings in April.

Alberta employment rose by 2,700 in April. Since April of 2005, the Alberta economy has added a remarkable 66,000 jobs, for year-over-year job growth of 3.7 per cent. Alberta's unemployment rate remains by far the lowest in Canada, at 3.5 per cent.

Alberta also continues to lead the country in wage growth. In April, the average hourly wage in Alberta was up 6.8 per cent from a year earlier. This was more than double the national increase of 3.1 per cent.

Oil prices pulled back this week to just under $70 US, on news of higher than expected U.S. oil and gasoline inventories.

Cdn Dollar (C¢/US$)		
↑	May 5, 2006	90.3¢
	Apr 28, 2006	89.3¢
	2006-07 YTD	88.0¢
WTI Oil US$/bbl		
↓	May 4, 2006	$69.94
	Apr 27, 2006	$70.97
	2006-07 YTD	$70.59
Nymex Natural Gas C$/mcf*		
	June Contract	
↑	May 5, 2006	$7.73
	Apr 28, 2006	$7.63

*Estimate based on Nymex Futures Market Price

Alberta rigs drilling showed its usual seasonal decline in April (due to spring break-up). However, through the first four months of 2006, drilling activity is up 21 per cent from the same period in 2005.

The outlook for construction activity remains buoyant in both Alberta and Canada. In Alberta, non-residential building permits surged 42.8 per cent in March. Through the first 3 months of 2006, Alberta's total building permits are up 32.1 per cent from the same period in 2005.

Economic Indicators Released this Week	Reference Period	Month/Previous Month	Month/Previous Year's Month	Year-to-date[1]
Employment (April)	**Monthly Change**			
Alberta	+2,700	0.1%	3.7%	3.3%
Canada	+22,000	0.1%	1.9%	1.8%
United States	+138,000	1.0%	1.5%	1.5%
Building Permits (Millions)	**March**			
Alberta	1,191.8	10.4%	24.0%	32.1%
Canada	5,525.3	5.3%	8.3%	10.7%
Industrial Product Price Index (1997=100)	**March**			
Canada	112.3	0.8%	1.1%	1.4%
Raw Materials Price Index (1997=100)	**March**			
Canada	151.6	0.8%	4.9%	10.9%

Source: Statistics Canada

[1] Year-to-date 2006 compared to the same time period in 2005. For example: January-March 2006 versus January-March 2005